

COUNTY OF SAN BERNARDINO

RESOLUTION NO. 02-_____

RESOLUTION OF THE BOARD OF SUPERVISORS OF THE COUNTY OF SAN BERNARDINO APPROVING AND AUTHORIZING THE EXECUTION AND DELIVERY OF AN ASSIGNMENT, ASSUMPTION, AND CONSENT AGREEMENT CONCERNING THE SALE OF THE NOVA PARK HEIGHTS APARTMENTS TO CAPITAL FORESIGHT-INLAND EMPIRE, L.P., A CALIFORNIA LIMITED PARTNERSHIP, OR ITS AFFILIATED ASSIGNEE; BOND COUNSEL SERVICES AGREEMENT; AND AUTHORIZING THE EXECUTION AND DELIVERY OF ANY AND ALL NECESSARY AND RELATED DOCUMENTS AND ACTIONS IN CONNECTION THEREWITH

On Tuesday, November 5, 2002, on motion of Supervisor _____, duly seconded by Supervisor _____, and carried, the following resolution is adopted.

RESOLVED, by the Board of Supervisors (the "Board") of the County of San Bernardino (the "County") that:

WHEREAS, Steadfast Park Heights, L.P., a California limited partnership (the "Transferor" or "Owner"), the owner of the Nova Park Heights Apartments (the "Project") has entered into an Agreement for Purchase and Sale of Real Property and Joint Escrow Instructions, dated as of September 26, 2002, as amended from time to time (the "Sales Agreement"), by and between Transferor and Naty Saidoff ("Saidoff"), to sell the Project to Saidoff, which has assigned its interest to Capital Foresight-Inland Empire, L.P., a California limited partnership (the "Transferee"); and

WHEREAS, Transferor has requested the consent of the County under the terms and conditions of the Amended and Restated Regulatory Agreement and Declaration of Restrictive Covenants (the "Original Regulatory Agreement"), dated as of April 1, 1990, by and among the County, JPMorgan Chase Bank, (the "Trustee"), as the successor by merger to The Chase Manhattan Bank, as successor by merger to The Chase Bank of Texas, National Association and the Transferor, as amended by the Amendment To Regulatory Agreement, dated as of September 1, 1998 (the "Amendment," and together with the Original Regulatory Agreement, the "Regulatory Agreement") by and among the County, the Trustee and the Transferor; and

WHEREAS, under the terms of Section 2(g) of the Regulatory Agreements, except as specifically authorized pursuant to the terms and provisions of the Loan Agreement (the "Loan Agreement"), dated as of September 1, 1998, by and among the Issuer, the Trustee and the Borrower and related mortgage loan documents, the Transferor shall not enter into a sale, lease, exchange, assignment, conveyance, transfer or other disposition of all or substantially all of the Project without the

prior written consent of the Issuer, which consent shall not be unreasonably withheld, as long as the requirements of this Section 2(g) are fully satisfied;

WHEREAS, in determining whether the requirements of Section 2(g) of the Regulatory Agreement have been fully satisfied, the Transferee must provide the written, express, unconditional assumption of all payment obligations and all performance obligations under the Regulatory Agreement, the Loan Agreement and any other document, agreement or instrument evidencing or securing the Transferor's obligations under the Loan Agreement by the Transferee, which assumption shall be in form and substance satisfactory to the County, and its counsel, and require the recording of such assumption document;

WHEREAS, in connection with determining whether to grant or withhold its consent, the County may, among other things consider: (1) the Owner shall not be in default hereunder, (2) the continued operation of the Project shall comply with the provisions of this Agreement, (3) the purchaser or assignee shall be willing and capable of complying with the terms and conditions of this Agreement, (4) the purchaser or assignee shall execute any document requested by the Issuer and the Trustee with respect to the assumption of the Owner's obligations under this Agreement, including without limitation an instrument of assumption hereof; shall deliver a copy thereof to the Trustee and shall deliver to the Issuer an opinion of its counsel to the effect that each such document and this Agreement are valid, binding and enforceable obligations of such purchaser or assignee, (5) the Issuer shall not have any reason to believe that the purchaser or assignee is incapable, financially or otherwise, of complying with, or may be unwilling to comply with, the terms of all agreements binding on such purchaser or assignee relating to the Project, (6) the Owner shall pay to the Issuer its reasonable fees and expenses, (including without limitation, allocable internal costs and fees and expenses of County Counsel and Bond Counsel) in conjunction with such sale, transfer or other disposition of the Project, and (7) such other conditions are met as the Issuer may reasonably impose, including without limitation, if requested by the Issuer receipt by the Issuer of an opinion of Bond Counsel to the effect that any such sale, transfer or other disposition will not cause interest on the Bonds to be includable in gross income of the holders thereof for Federal income tax purposes;

WHEREAS, the County may release the Transferor from liability under the Regulatory Agreement and the Loan Agreement and may limit any such release from liability to events and occurrences arising after such disposition, whether or not the County has knowledge of prior events or occurrences creating such liability at the time of the disposition;

WHEREAS, unless the County, the Trustee and Newman Financial Services, Inc. (the "Bondholder") consent to the transfer and to the assignment of the rights and obligations of the

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Transferor under the terms of the Loan Agreement, notwithstanding any transfer of the Project to another owner in accordance with the provisions of the Loan Agreement or the Regulatory Agreement, the Transferor shall remain obligated to indemnify each Indemnified Party (as defined in the Loan Agreement) pursuant to the terms of the Loan Agreement if such transferee fails to indemnify any party entitled to be indemnified under the terms of the Loan Agreement;

WHEREAS, the County issued its \$5,520,000 County of San Bernardino, California Multifamily Housing Revenue Refunding Bonds 1998 Series A (Nova Park Heights Apartments) (the "Bonds") in order to facilitate the refinancing of the Project pursuant to a Trust Indenture (the "Indenture"), dated as of September 1, 1998, between the County and the Trustee by and between County and the Trustee;

WHEREAS, in conjunction with the entering into of the Assumption Agreement it is the intention of the Transferor and the Transferee to cause the Bonds to be redeemed in whole;

WHEREAS, pursuant to the terms of the Assumption Agreement, the County proposes to consent to the transfer of the Project to the Transferee, the assignment and assumption by Transferee as provided in the Assumption Agreement, and to the modification of the Deed of Trust and any other document as necessary to fulfill the transfer of the Project;

WHEREAS, the Board has determined to select from the County's list of approved counsel for housing transactions the law firm of Fulbright & Jaworski L.L.P., Los Angeles, California, as Bond Counsel, pursuant to a Bond Counsel Services Agreement that has been presented and provided to this Board; and

WHEREAS, it is in the public interest and for the public benefit that the County consent to the sale in order to preserve the low and moderate multifamily housing units provided by the Nova Park Heights Apartments.

NOW, THEREFORE, BE IT ORDERED by the Board of Supervisors of the County of San Bernardino as follows:

Section 1. Provided that the Transferor meets the conditions for sale of the Project as set forth in Section 2(g) of the Regulatory Agreement, the Chairman of the Board of Supervisors (the "Chairman") and the Director (the "Director") of the Department of Economic and Community Development (the "Department") are hereby each individually authorized and directed, for and in the name and on behalf of the County, to execute and deliver to the Transferor written evidence of the

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County's consent to the sale of the Project, including the Assumption Agreement. The Chairman and the Director are hereby individually authorized (upon consultation with County Counsel) to determine whether or not the conditions set forth in the Regulatory Agreement have been met. The determination that such conditions have been met shall be evidenced by the execution and delivery to the Transferor of the Assumption Agreement signed by an authorized party.

Section 2. Fulbright & Jaworski L.L.P. is hereby appointed as bond counsel ("Bond Counsel") for the County in connection with the transactions contemplated by this Resolution. The Bond Counsel Services Agreement (the "Bond Counsel Services Agreement") provided herewith and presented at this meeting, is hereby approved. The Chairman or the Director is hereby authorized and directed, for and in the name and on behalf of the County, to execute and deliver the Bond Counsel Services Agreement.

Section 3. The Chairman and/or the Director are hereby authorized and directed, jointly and severally, for and in the name of and on behalf of the County, to execute and deliver any and all necessary and related documents and take all other necessary and related actions to effectuate the sale of the Project, provided the conditions thereto have been fulfilled and to facilitate the redemption of the Bonds.

Section 4. All actions heretofore taken by the County to effectuate the transaction contemplated by this Resolution are hereby ratified, confirmed and approved.

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